

**SJS Enterprises Limited**  
**Q3FY23 EARNINGS PRESENTATION**



Creating  
Possibilities

Certain statements made in this presentation relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. These forward-looking statements are based on various assumptions, expectations and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, competitive intensity, pricing environment in the market, economic conditions affecting demand and supply, change in input costs, ability to maintain and manage key customer relationships and supply chain sources, new or changed priorities of trade, significant changes in political stability in India and globally, government regulations and taxation, climatic conditions, natural calamity, commodity price fluctuations, currency rate fluctuations, litigation among others over which the Company does not have any direct control. These factors may affect our ability to successfully implement our business strategy. The company cannot, therefore, guarantee that the 'forward-looking' statements made herein shall be realized. The Company, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events



**K A JOSEPH**  
Managing Director

- Founded the company in 1987
- More than 34 years of experience in aesthetics printing business
- Post graduate diploma in business administration from the St. Joseph's College of Business Administration, Bangalore; B.Sc from Bangalore University



**SANJAY THAPAR**  
CEO & Executive Director

- Over 30 years of experience in the automotive industry
- Previously worked with Ashok Minda Group, Minda Valeo Security Systems, Minda HUF Limited, Tata Engineering and Locomotive Company Limited (now known as Tata Motors Limited)
- Bachelor's degree in science (mechanical engineering) from the Delhi College of Engineering



**MAHENDRA NAREDI**  
Chief Financial Officer

- 20+ years of experience in financial management, key accounting & financial analysis, FP&A, fundraising, M&As, legal & compliances, and strategy.
- Previously worked in Minda Corporation, Wipro & GE
- Bachelor's degree in Law & Commerce from Rajasthan University, Chartered Accountant and Company Secretary from ICAI and ICSI




**DEVANSHI DHRUVA**  
Head-Investor Relations


- Previously worked with Westlife Development Limited (McDonald's India) and Piramal Enterprises Limited managing Investor Relations. Earlier worked as Equity Research Analyst with Dolat Capital Markets Pvt. Ltd.
- PGDM – Finance from K J Somaiya Institute; M.Com & B.Com (Accounting & Finance) from University of Mumbai

## Overview

**Key Facts**



**Rs 3,264.8 Mn**  
Revenue 9MFY23<sup>1</sup>



**26.9%**  
EBITDA margin 9MFY23



**2**  
Production facilities  
(Bangalore, Pune)



**~2000**  
Workforce

**22**  
Countries served

**175+**  
Customer locations  
(Mar'22)

**6,000**  
SKUs  
(FY22)

**123 Mn**  
Parts supplied  
(FY22)

### Established market leader in an attractive business segment

Operates in the high value-add aesthetics market across multiple consumer-oriented end industries; increased focus on aesthetics and premium content creating opportunity throughout the component supply chain: SJS well-positioned to capitalize on the trends

### Differentiated, comprehensive product portfolio

Leading edge technologies and a wide product suite including decals, appliques/dials, overlays, logos/3D lux, aluminium badges, in-mold decoratives (IMD), optical plastics and lens mask covers for diverse applications

### Legacy of technology and innovation: in-house design / development

Strong in-house design and engineering capabilities and innovation track record across products, technologies and materials; history of new product development and successful commercialization supported by a dedicated R&D team

### Long-standing core customer base consisting of leading OEMs

Partner, co-creator and supplier of choice to several leading OEMs in the automotive and consumer durables industry; dominant share of business in India and focused strategy to increase global presence

### Well-invested, lean operations designed to support multi-fold revenue

New state-of-the-art manufacturing facility commissioned in 2018 to support future growth

**Market leadership in India for Aesthetic Products**



**Demonstrated product portfolio expansion**



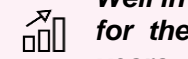
**Design-backed new product development**



**Entrenched customer relationships**



**Well invested for the next 3-5 years**





# Q3FY23 Business & Financial Highlights



- **SJS outperformed auto industry (2W + PV) with 25.3% YoY revenue growth in auto** compared to 3.9% YoY growth in Auto industry production volumes during the quarter



- **Total Revenue at Rs 1063.7 mn grew 20.8% YoY** on back of 43.5% and 14.1% YoY growth in PV and 2W respectively



- Company generates strong cash flows and has maintained a **robust cash & bank balance at Rs 1,431 Mn**
- **Debt free company** on net debt basis



- Added **Foxconn** in 2W EV segment and **IFB Industries** in Consumer Durables as our marquee customers in Q3FY23



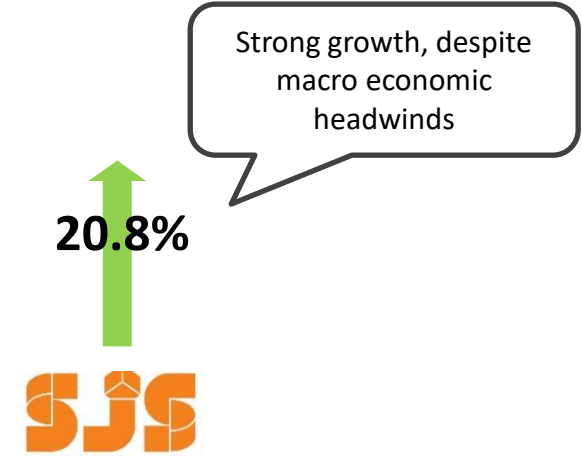
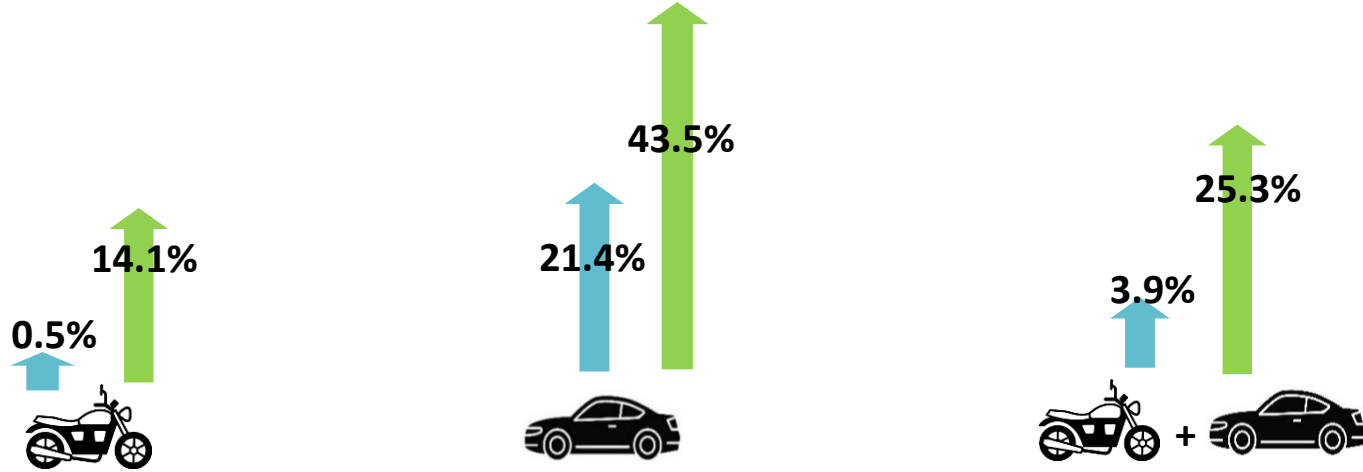
- 12 Villages with 3000 Families benefitted by our Garbage collection “Clean Village Initiative Campaign”
- Added 20 beds Community Health Centre - benefitting 50 patients daily at Govt. Hospital Kaggalipura

# SJS | Consistently Outperforming Auto Industry



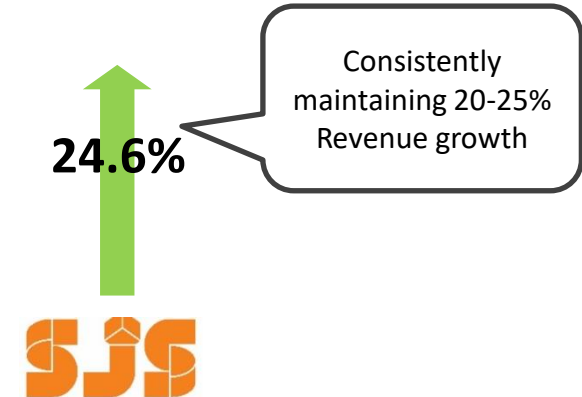
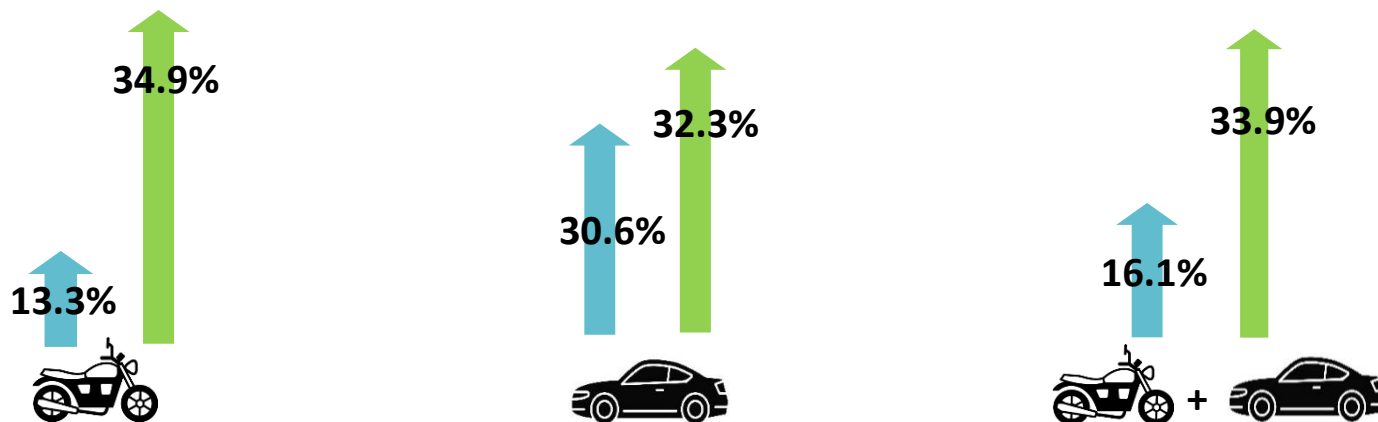
## Q3FY23 - Industry Production Volume<sup>1</sup> v/s SJS YoY Sales<sup>2</sup>

Industry  
SJS



## 9MFY23 - Industry Production Volume<sup>1</sup> v/s SJS YoY Sales<sup>2</sup>

Industry  
SJS



Note: 1) Industry Production Volumes are production in India; 2) For SJS YoY Sales it is Consolidated numbers

**Strong growth story continues...**

## Highlights of the quarter

- 1** Growing Mega Accounts  
- Key Business Projects Won


- 2** Adding  
marquee  
Customers



2W EV



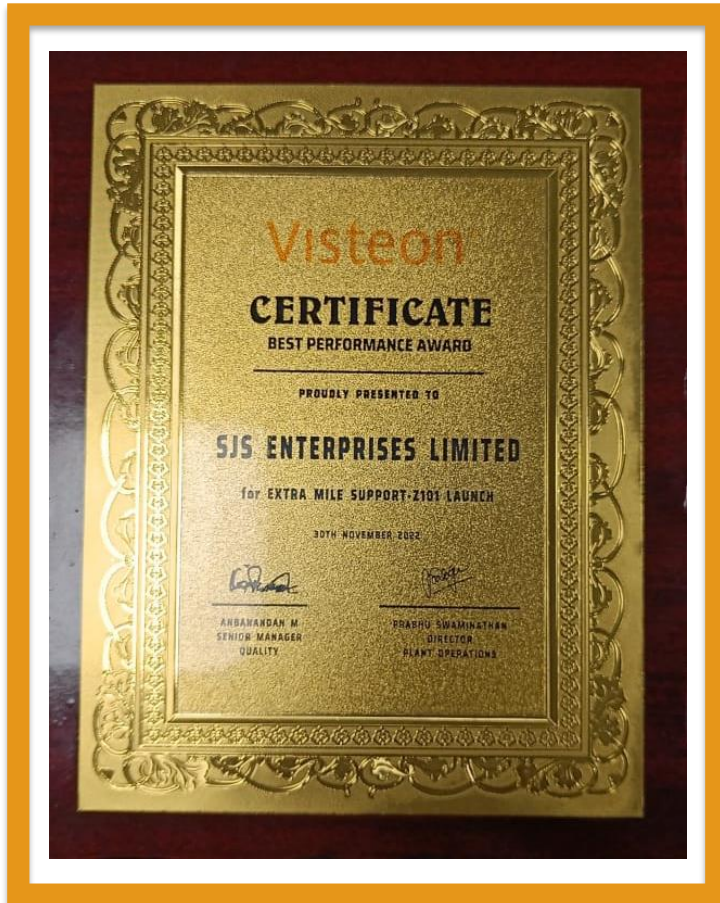
Set yourself free

Consumer Appliances
- 3** Increasing  
Global  
Presence

In addition to having sales representatives in Brazil, Argentina and Turkey, **we added sales representative in Columbia in Q3FY23**, thereby covering key markets of Latin America



## Visteon award for the Extra mile Support for the flaw less launch of Scorpio - N

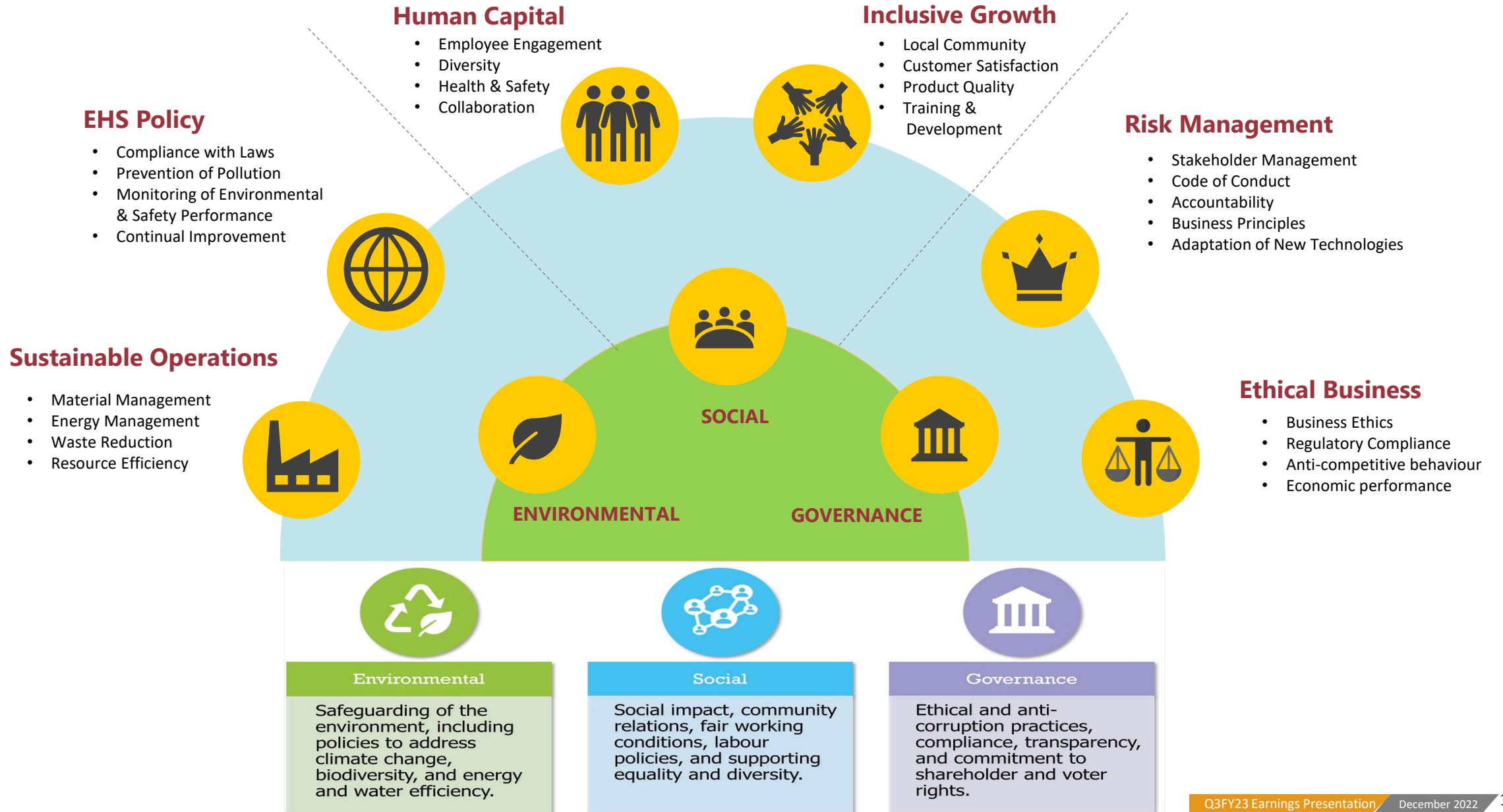


Honda India recognition for **Consistent Good Quality Product** supplied for exports

Customer Quality - received **GREEN RATING** from our **Top 15 customers**

## 3<sup>rd</sup> Prize in Regional Kaizen Contest, held by ACMA Southern Region





12 Villages with 3000 Families benefitted by our Garbage collection “Clean Village Initiative Campaign”  
 Added 20 beds Community Health Centre - benefitting 50 patients daily



RO Water plant installed at Agara district benefitting approx. 1000 families



Garbage Collection vehicle for Agara Gram Panchayat under our ‘Clean Village Initiative Campaign’


20 Beds & Medical apparatus contributed to CHC - Govt. Hospital, Kaggalipura




Contributed towards infrastructure building and refurbishments for Govt. School at Tathaguni & Banjarapalya




## *Picking up a strong pace...*

 **20.8%**  
YoY growth

- **Revenue\*** at Rs 1,063.7 Mn on account of **25.3% YoY growth** in automotive (2W+PV) segment - **outperforming the underlying industry**

 **25.3%**  
YoY growth

- **EBITDA\*** at Rs 284.0 Mn, **Strong EBITDA margins of 26.1%**


 **29.5%**  
YoY growth

- **Adjusted Net Profit\*** at Rs 157.1 Mn, with a **margin of 14.8%**


- **Overall Domestic sales** clocked **22.2%** YoY growth; on back of **56.4%** and **16.7%** YoY growth in **PV** and **2W** segments for the Company

## Consistently delivering robust performance...


ROCE for 9MFY23 is 33% (annualized) compared to 27% in FY22

 **24.6%**  
YoY growth

- Revenue\* at Rs 3,264.8 Mn on account of 33.9% YoY growth in automotive (2W+PV) segment - outperforming the underlying industry

 **31.6%**  
YoY growth

- EBITDA\* at Rs 896.0 Mn, on back of higher sales, softening in commodity prices and operational efficiencies; **Strong margins of 26.9%**

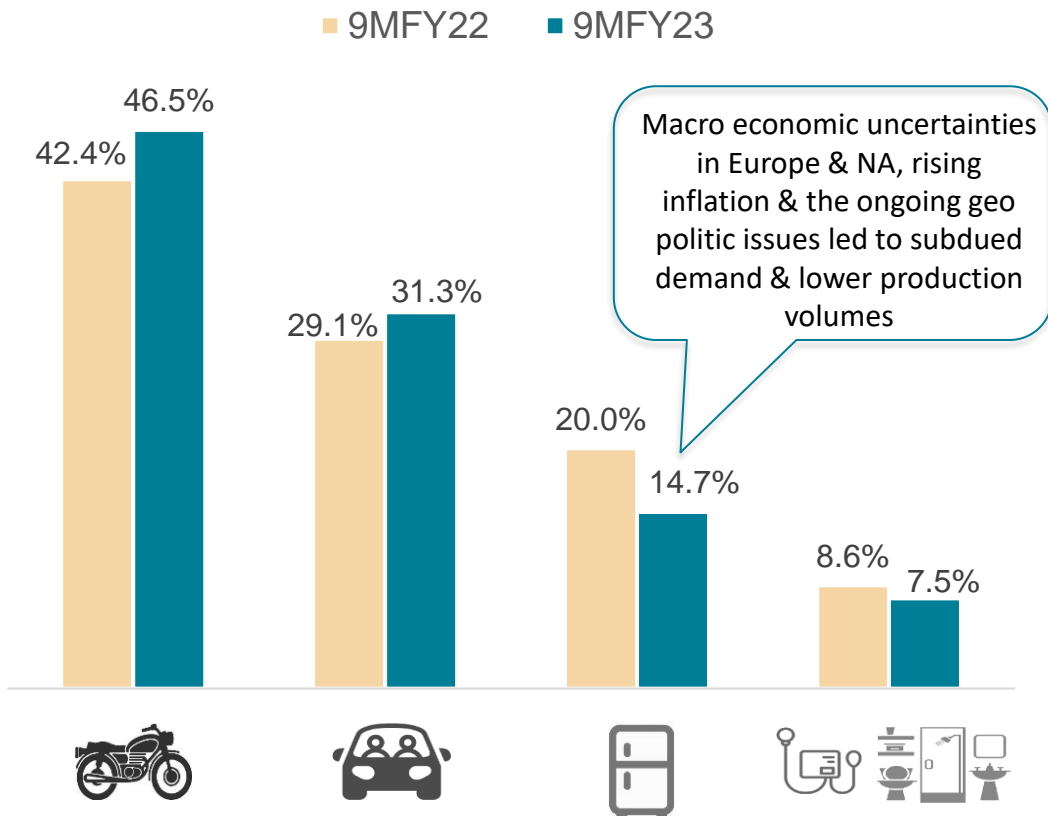
 **40.6%**  
YoY growth

- Adjusted Net Profit\* at Rs 518.7 Mn, with a margin of 15.9%

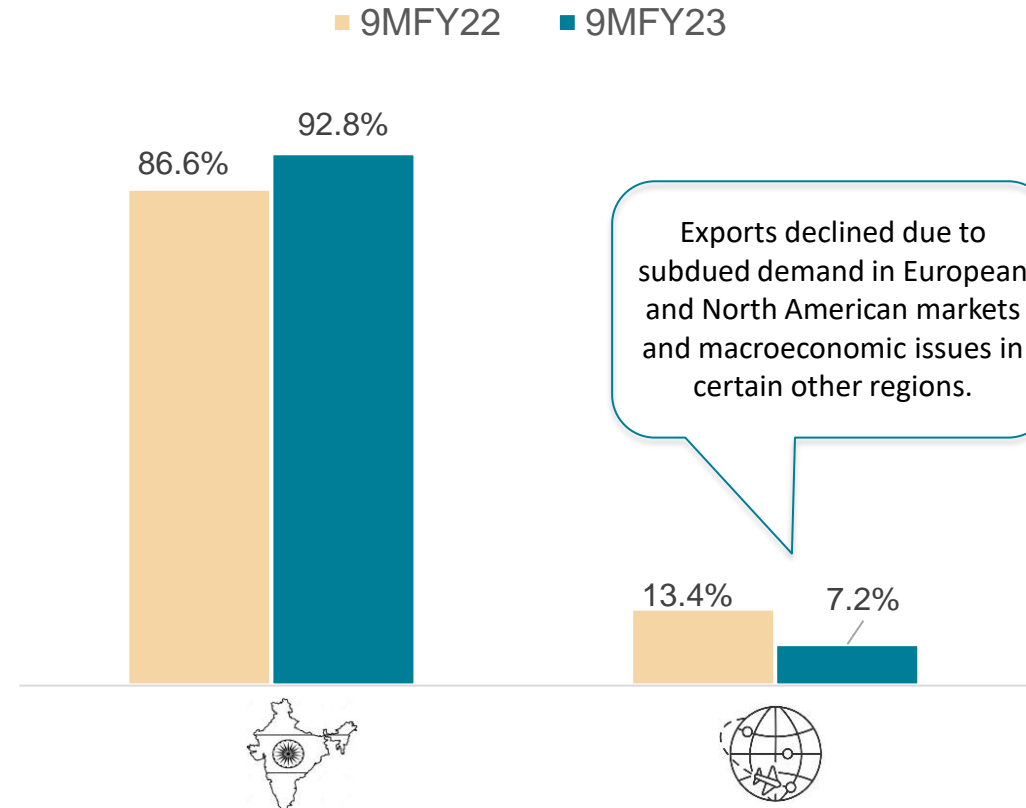
- Domestic sales clocked 31.7% YoY growth; on back of 39.9% and 37.2% YoY growth in 2W and PV segments for the Company

Exotech achieved FY22 full year revenue in just 9M of FY23 with EBITDA margin improvement to 14.0% from 12.8% in FY22, 115 bps improvement in 9 months

## Revenue by end segment



## Revenue by Geography



**New generation products contributed ~11-12% of revenue during 9MFY23, impacted due to drop in exports**

Particulars (INR in Mn)	Q3FY23	Q3FY22 <sup>1</sup>	YoY%	Q2FY23	QoQ%	9MFY23	9MFY22 <sup>1</sup>	YoY%
<b>Operating Revenue</b>	<b>1063.7</b>	<b>880.3</b>	<b>20.8%</b>	<b>1169.4</b>	<b>-9.0%</b>	<b>3264.8</b>	<b>2619.9</b>	<b>24.6%</b>
<b>EBITDA</b>	<b>284.0</b>	<b>226.7</b>	<b>25.3%</b>	<b>333.8</b>	<b>-14.9%</b>	<b>896.0</b>	<b>680.7</b>	<b>31.6%</b>
EBITDA Margin %	26.1%	25.6%		28.0%		26.9%	25.7%	
<b>Reported PAT</b>	<b>157.1</b>	<b>148.9</b>	<b>5.5%</b>	<b>199.5</b>	<b>-21.3%</b>	<b>518.7</b>	<b>396.6</b>	<b>30.8%</b>
PAT Margin %	14.8%	16.9%		17.1%		15.9%	15.1%	
<b>Adjusted PAT</b>	<b>157.1</b>	<b>121.3</b>	<b>29.5%</b>	<b>199.5</b>	<b>-21.3%</b>	<b>518.7</b>	<b>368.9</b>	<b>40.6%</b>
PAT Margin %	14.8%	13.8%		17.1%		15.9%	14.1%	

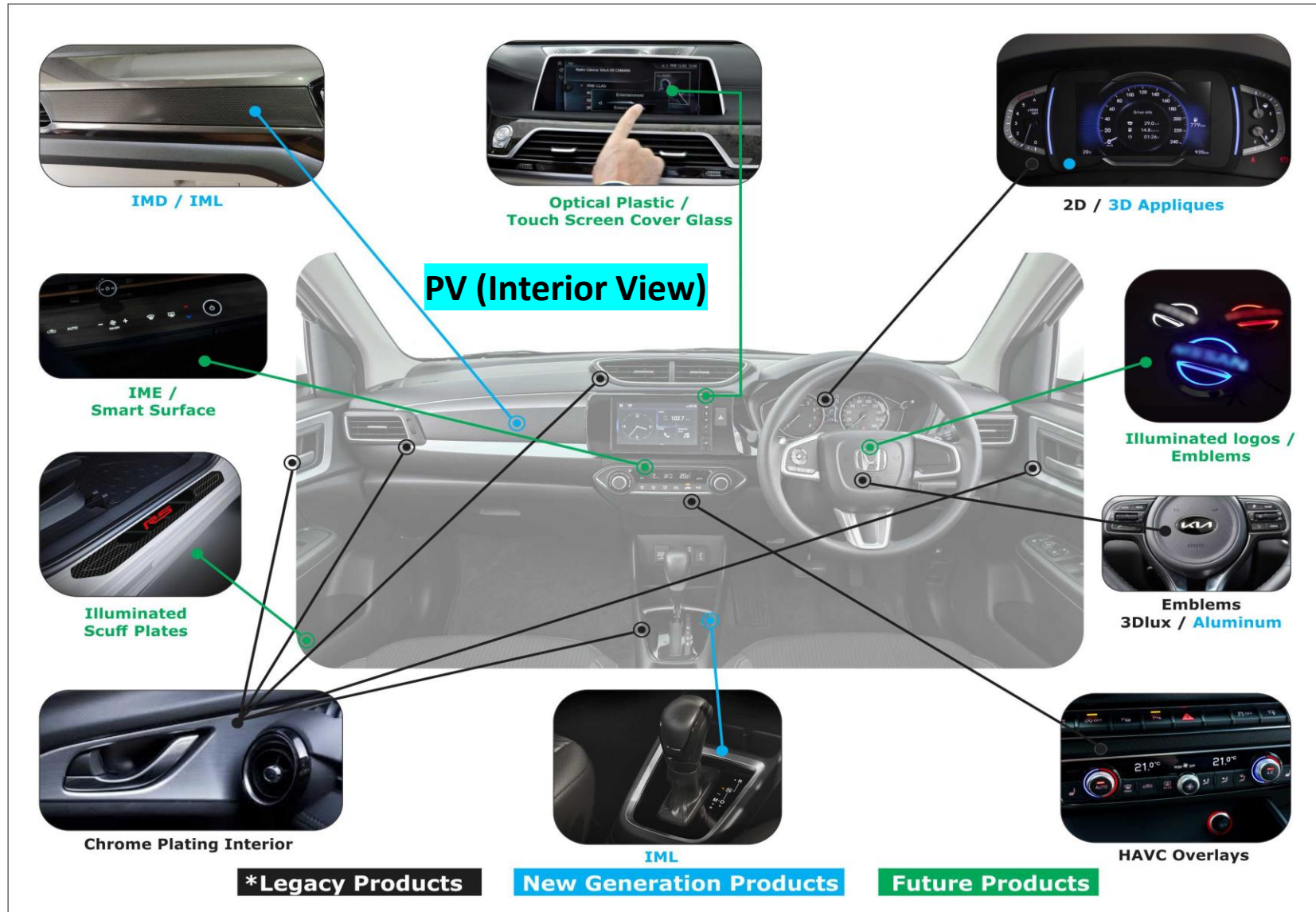
Note: 1) Exceptional item – Rs. 37.61 Mn of provision for discount on a customer sale created during FY21 was reversed in December 2021 resulted in increased Sales, EBITDA, PBT & PAT



# Future Growth Outlook



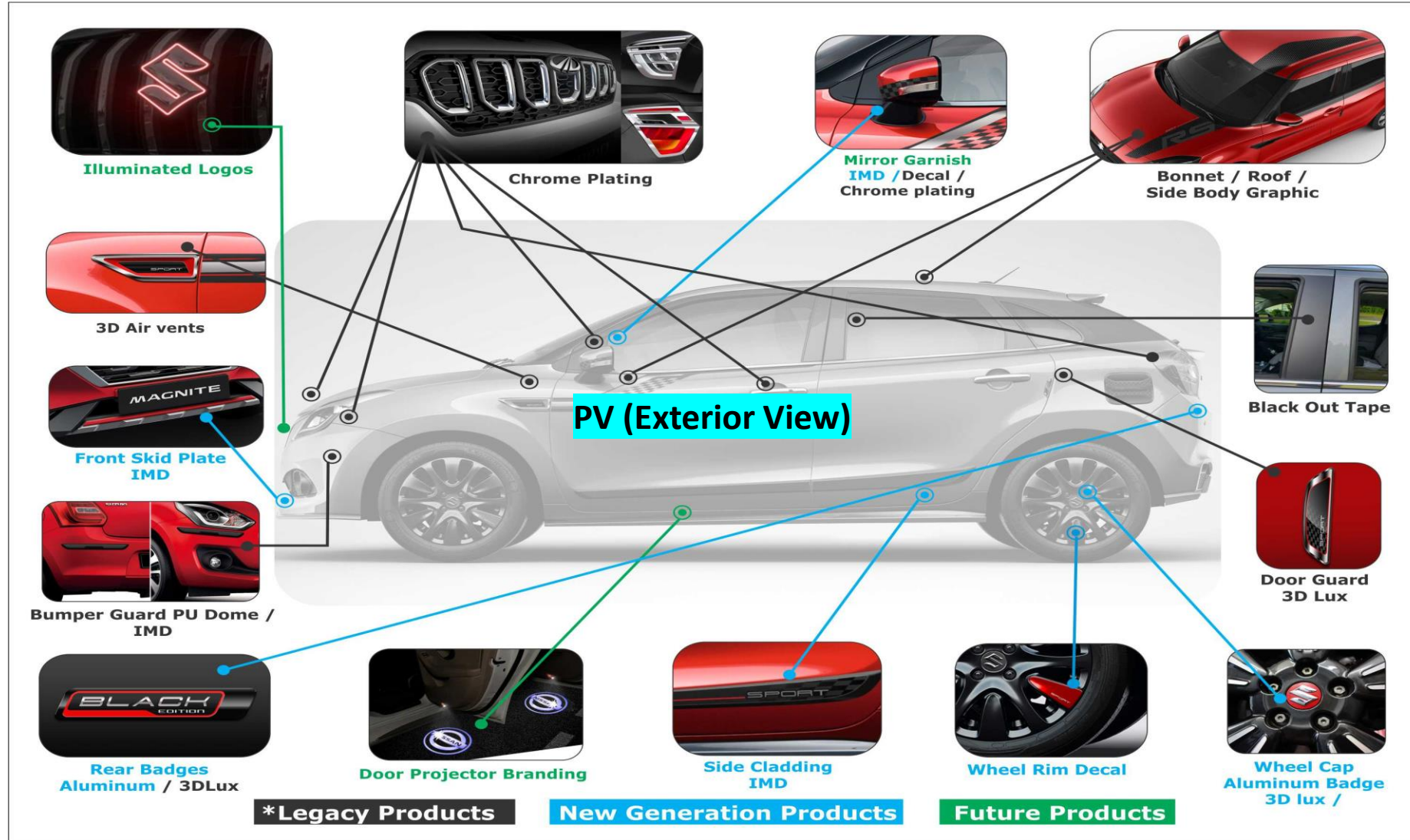
Transforming SJS with a well diversified product suite addressing every requirement of varied customer base



**Rs 1200 – 1500**  
Per vehicle  
**Legacy Kit Value**

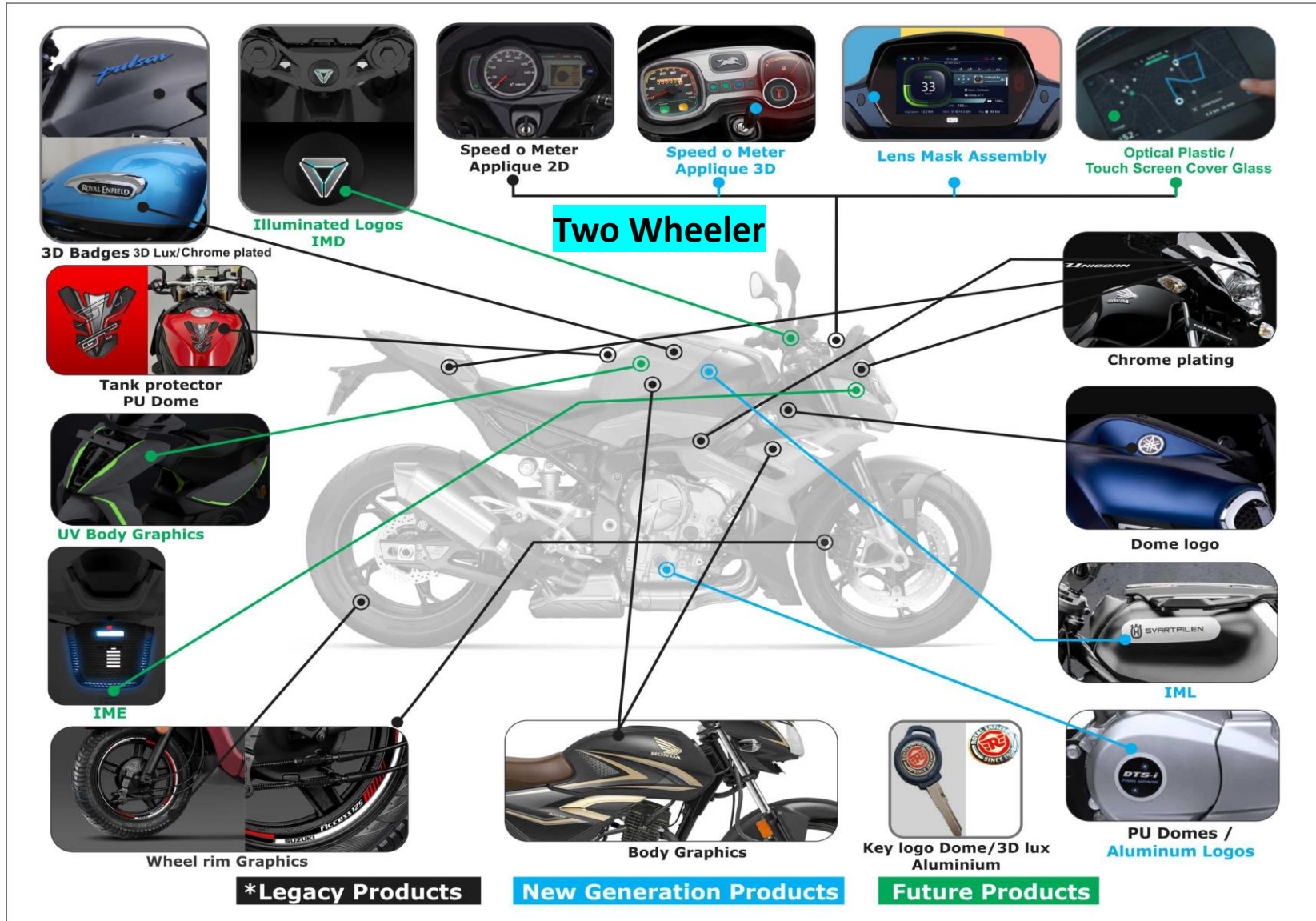
**3 - 4x growth**  
Per vehicle  
**Future Kit Value**

Transforming SJS with a well diversified product suite addressing every requirement of varied customer base





Transforming SJS with a well diversified product suite addressing every requirement of varied customer base



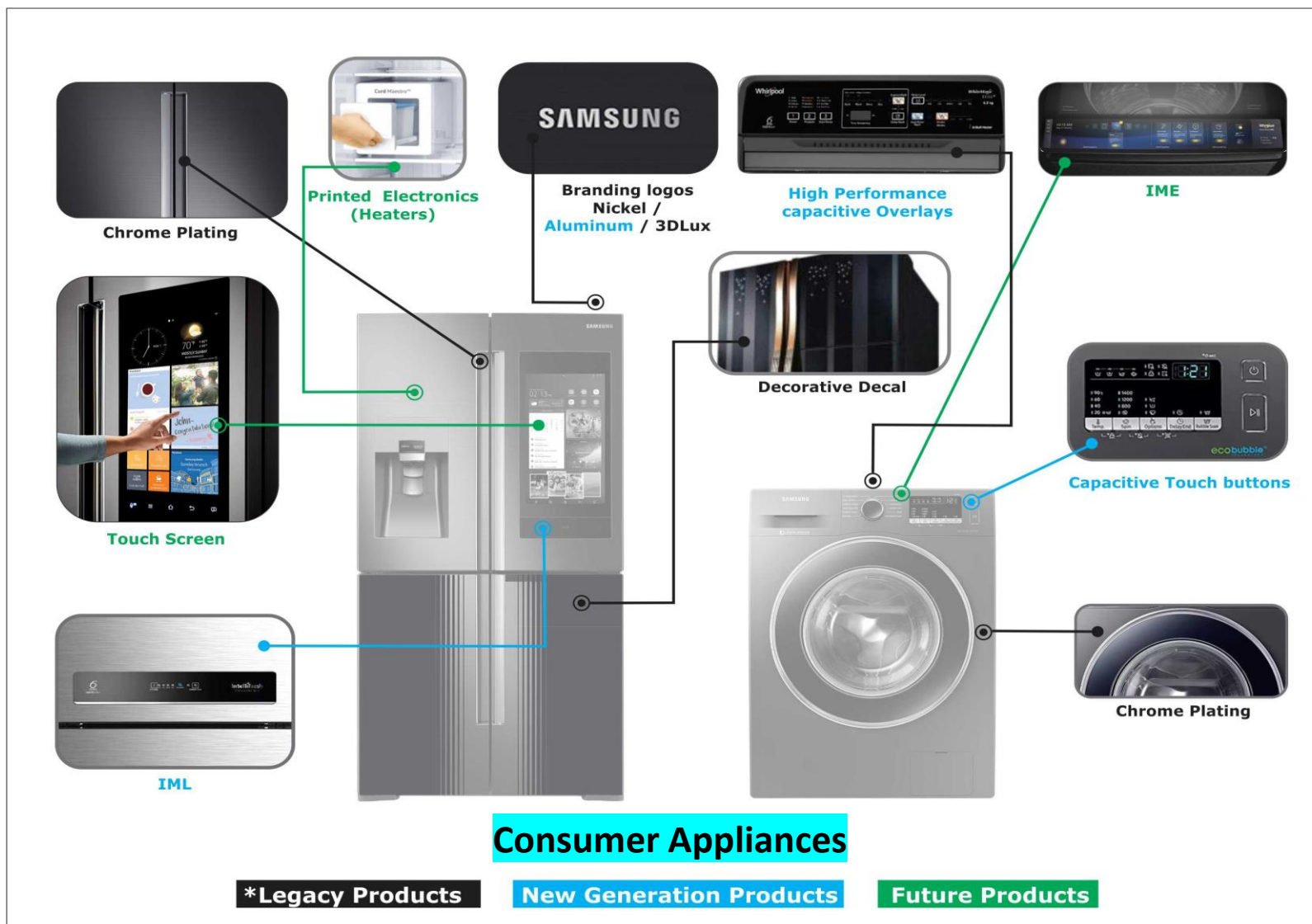
**Rs 300 - 500**  
Per vehicle

**Legacy Kit Value**

**1.5 - 2x**  
**growth**  
Per vehicle

**Future Kit Value**

Transforming SJS with a well diversified product suite addressing every requirement of varied customer base



**Rs 50 - 150**  
Per appliance

**Legacy Kit Value**

**3 - 4x**  
**growth**  
Per appliance

**Future Kit Value**

## Strategy for organic growth over FY23-25



### Exports : Increasing global presence

- Penetrate deeper in existing geographies and enter new geographies
- Strong focus on expanding presence in ASEAN
- Strengthening our sales force in Turkey, Brazil & Argentina and exploring similar opportunities in other countries



### Products : Focus on development of new technologies & advanced products

- Intend to develop and introduce Illuminated logos, In Moulded Electronic (IME) parts and other new gen technologies
- Continue to build capabilities to innovate & develop new products & increase application of products across industries



### Key Customers : Growing mega accounts

- Building mega accounts with existing customers by expanding the array of products
- Increase customer base by marketing existing products to new customers and explore cross selling opportunities between SJS and Exotech



### Capacity Expansion : Expand chrome plating capacity to meet higher demand pipeline

- Double the chrome plating capacity to support revenues of Rs 3,000 Mn from the current Rs 1,300 Mn capacity
- Higher capacity will also enable entry into global markets

## Merger & Acquisitions Strategy

**SJS successfully integrated Exotech business and demonstrated credible business improvement in Exotech's FY22 performance:**

- ~50% YoY growth in Revenue, increasing from Rs 685 Mn to Rs 1,020 Mn in FY22. **Exotech already achieved Rs 1,008 Mn for 9MFY23**
- **Cost synergies & efficiency resulted in Exotech EBITDA margin expansion by 70 bps YoY from 12.2% in FY21<sup>1</sup> to 12.8% in FY22. Continuous improvement initiatives led to another 115 bps expansion in margins to 14% in 9MFY23.**



### Build capability in adjacent / new aesthetic product categories

Identified key product categories to enter / expand presence which include:

- IMD / IML
- IME (In-Mould Electronics)
- Plastic injection moulding



### Expand presence in consumer related industries

Enter new segments and expand presence in other consumer related industries targeting

- Appliance manufacturers
- Consumer electricals



### Enter new geographies / OEMs for chrome plating

- Expand presence in chrome plating (largest segment) and increase cross selling opportunities
- Overcome logistics cost as bulky parts
- Provides direct entry into OEMs to support cross selling opportunities

**Actively evaluating opportunities and building an M&A pipeline to give an impetus to revenue growth over and above the organic growth of ~25%**

Note: 1) FY21 EBITDA Margins is excluding one time gain on sale of land to the extent of Rs 53.83 Mn



- **SJS will continue to outperform the industry** despite the macro economic headwinds in export markets and slow down in domestic market post festive season
- **SJS expects ~20% YoY revenue growth** on account of expected outlook for 2W, PV and Consumer Durables
- Robust margin profile and expected operating leverage to **drive PAT growth of ~20 - 25% YoY**

9M FY 23 Performance (INR Mn)		YoY Growth %
Revenue	3,264.8	24.6%
EBITDA	896.0	31.6%
EBITDA margin	26.9%	
PAT	518.7	40.6%
PAT Margin	15.9%	



- Target revenue growth of ~20% & PAT growth of ~20-25% in FY 23
- Continue to maintain best-in-class margins
- Strong cash flow generation of Rs 478 Mn in 9MFY23
- Debt free company

## Q3FY23 Earnings Call Invite

SJS Enterprises Limited (BSE: 543387) announced its results for the third quarter ended December 31, 2022, on February 9<sup>th</sup>, 2023. Following the announcement, the management team will host a conference call for investors and analysts on February 10<sup>th</sup>, 2023, at 10:30 AM IST. The call will commence with a brief discussion on the previous quarter’s performance followed by an interactive question and answer session. Call details are below:

<b>Date</b>	<b>10<sup>th</sup> February, 2023</b>
<b>Time</b>	<b>10:30 AM IST   01:00 PM HK/SG   05:00 AM UK (London)   12:00 AM EST USA</b>
<b>Duration</b>	60 minutes
<b>Universal Dial in</b>	<b>+91 22 6280 1145   +91 22 7115 8046</b>
<b>International Toll Free</b>	HK: 800 964 448   SG: 800 101 2045   UK: 0 808 101 1573   USA: 1 866 746 2133
<b>Diamond Pass Link</b>	<a href="https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=8158285&amp;linkSecurityString=28b3d45d24">https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=8158285&amp;linkSecurityString=28b3d45d24</a>

*Note: Please dial in at least 10 minutes prior to the schedule to ensure that you are connected in time. Audio and transcript will be available within ten working days after the call on Investors page of company website ([www.sjsindia.com](http://www.sjsindia.com)).*

**For further information, please contact: Devanshi Dhruva | [devanshi@sjsindia.com](mailto:devanshi@sjsindia.com)**



**THANK YOU**

**IR Contact**

Ms. Devanshi Dhruva | Head - Investor Relations  
[devanshi@sjsindia.com](mailto:devanshi@sjsindia.com)

# Appendix

# SJS | Longstanding history of design backed manufacturing excellence

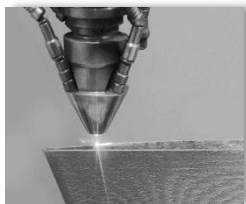


Evolution into a leading design and aesthetics focused business



**1987**

SJS founded by three entrepreneurs



**2006**

Joint Venture with Serigraph, a US based commercial printing player



**2010-14**

New product addition in premium segment – 3D Lux etc.



**2015**

Everstone Capital acquired a majority stake; exit by Serigraph



**2015-17**

Entry into new product lines - IMD parts, aluminum & electro formed badges

**2018**

New manufacturing facility commissioned with 225,000 sq.ft. area and significant capacity boost



**2019-20**

Introduced premium / technologically advanced products (formed dials, Optical plastics, lens mask assemblies) and expanded PV customer base with new product range

**2021**

**Exotech Plastics**

Acquisition completed to further complement product suite with addition of chrome products

## Decals & Body Graphics



## 2D Appliques & Dials



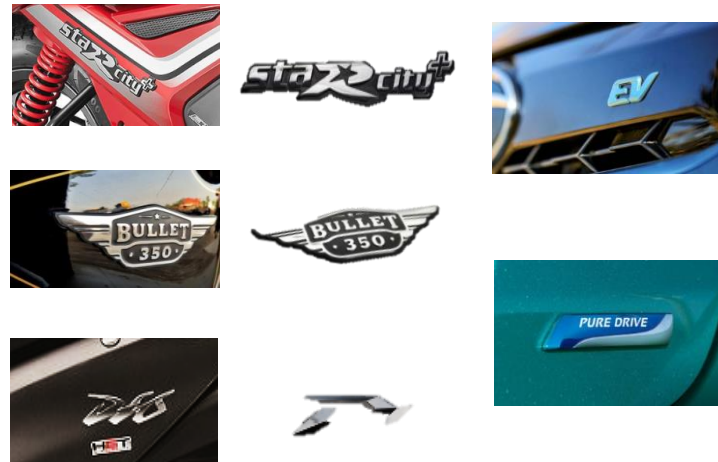
## Domes



## 3D Appliques & Dials



## 3D Lux Badges



## Aluminium Badges





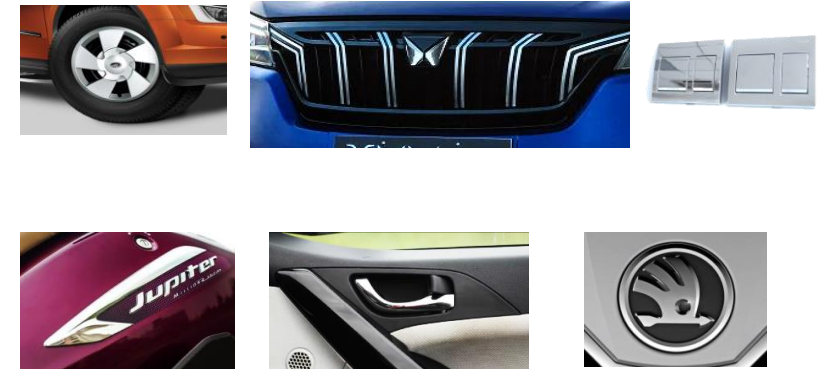
## Overlays



## Lens Mask Assembly



## Chrome plated parts



## IMLs / IMDs



## Optical Plastics



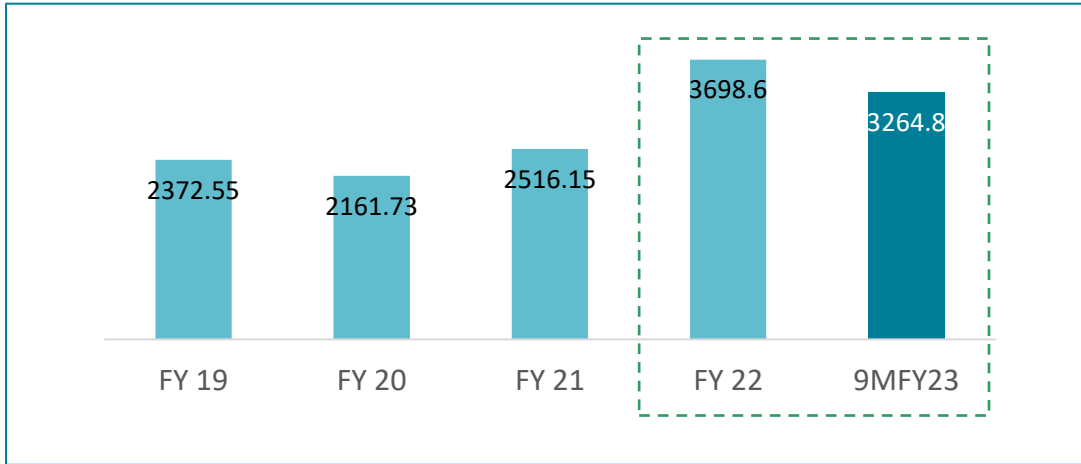
## Aftermarket – “Transform”



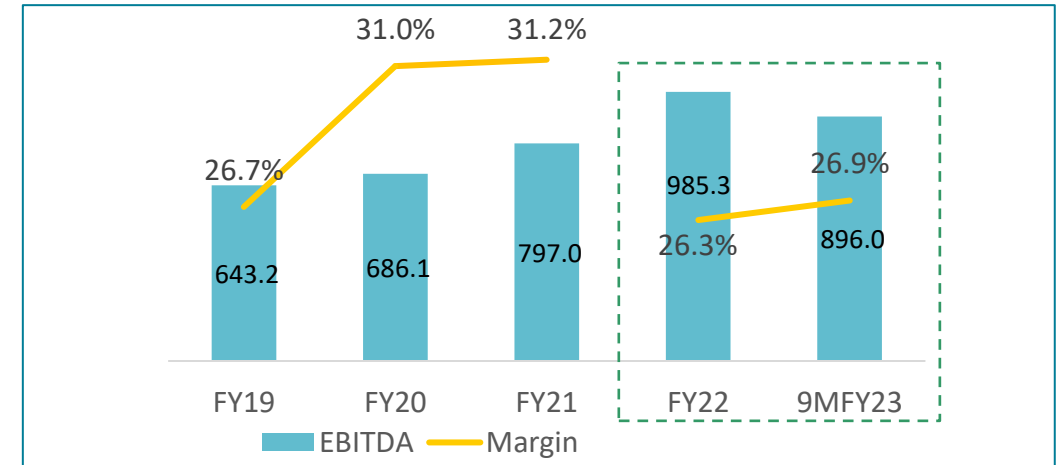
# SJS | Superior financial metrics and resilient business model



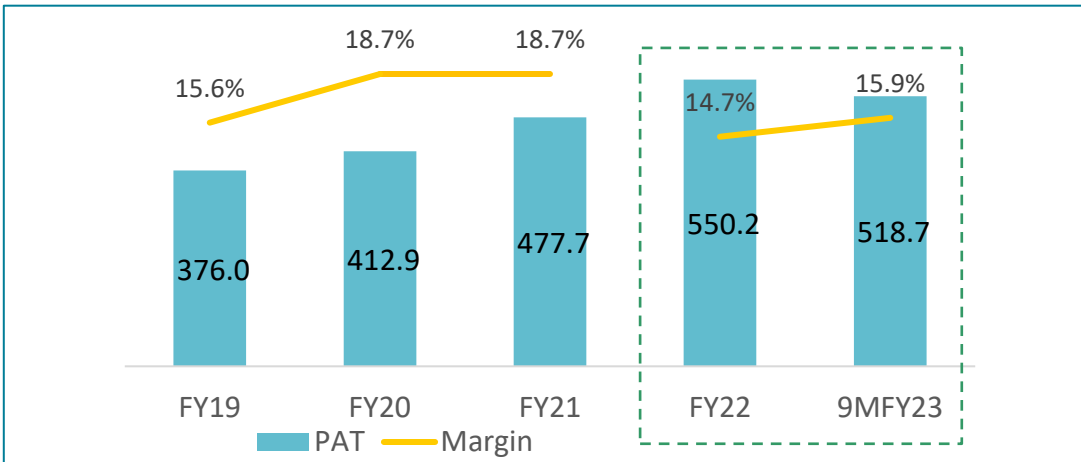
Revenue from Operation (INR Mn)



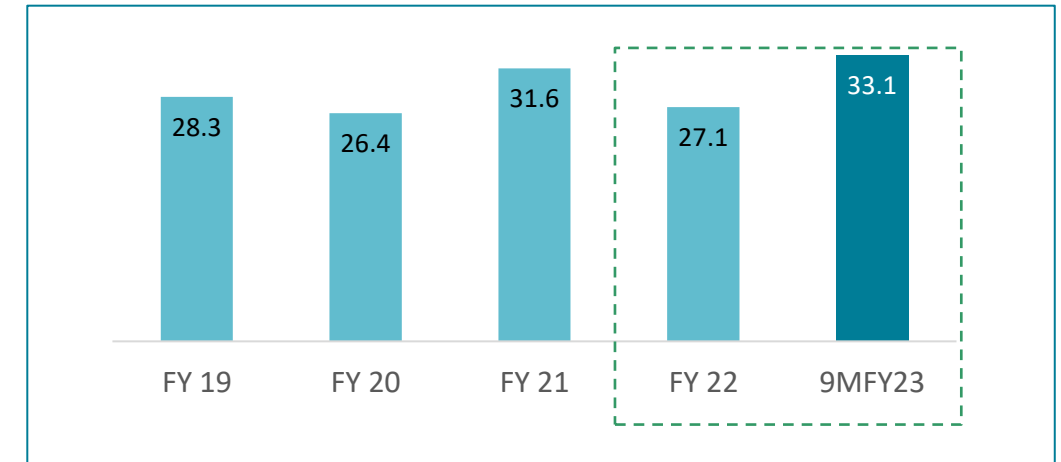
EBITDA (INR Mn) and EBITDA Margin (%)



PAT (INR Mn) and PAT Margin (%)



ROCE (%)



Note: FY 22 and 9MFY23 figures consolidated for SJS and Exotech



**K A Joseph**

*Managing Director – Promoter & Co-founder*

- ❖ More than 34 years of experience in aesthetics printing business
- ❖ Leads the manufacturing operations for the Company and has spearheaded technological and product innovation over the years
- ❖ Also a director on the board of Exotech



**Ramesh Chandra Jain**

*Non-Exec Chairman & Independent Director*

- ❖ Worked for 25 years in Eicher & retired as group vice chairman
- ❖ Received the Society of British Aerospace Companies Prize in Aircraft Production ,1972-73 from the Cranfield University,

Board of Directors



**Sanjay Thapar**

*Executive Director and CEO*

- ❖ Over 30 years of experience in the auto industry
- ❖ Previously Group Chief Strategy Officer with Ashok Minda Group; MD of Minda Valeo Security Systems



**Kevin K. Joseph**

*Executive Director*

- ❖ Holds a bachelor’s degree in mechanical engineering
- ❖ Previously worked with Tata Elxsi Limited as a senior design engineer



**Matthias Frenzel**

*Non-Executive & Independent Director*

- ❖ Previously worked with Visteon Electronics Germany GmbH, S-Y Systems Technologies Europe GmbH and Johnson Controls GmbH



**Vishal Sharma**

*Nominee Director*

- ❖ MD - investments and operations with Everstone Capital Advisors Private Limited
- ❖ Previously worked with BCG India <sup>(1)</sup>; Sapient Corp (now known as Publicis Sapient)



**Kazi Arif Uz Zaman**

*Nominee Director*

- ❖ Ex-MD – private equity with Everstone Capital
- ❖ Presently a partner of GestAlt Network LLP



**Veni Thapar**

*Non-Executive Independent Director*

- ❖ Presently a partner of V K Thapar & Company, Chartered Accountants
- ❖ Was on the board of Bank of India as a part-time, non-official director under the CA <sup>(2)</sup> category

KMPs



**Mahendra Naredi**

*Chief Financial Officer*

- ❖ 20+ years of experience in financial management and analysis, key accounting and strategy. Previously worked in Minda Corp, Wipro & GE



**R. Raju**

*Chief Marketing Officer*

- ❖ Has over 22 years of experience in the field of marketing; Previously worked with ITW India Limited, ITW Signode India Limited etc.



**Sadashiva Baligar**

*Chief Operation Officer*

- ❖ Previously worked with Motherson Automotive Technologies, Automotive Manufacturers (Malaysia) SDN BHD, Toyota Kirloskar etc.

Note: <sup>(1)</sup> BCG India – Boston Consulting Group (India) Private Limited; <sup>(2)</sup> Chartered Accountant